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SUBJECT: IAEA/GC/MIDDLE EAST OUTCOMES: THE GOOD, THE BAD
AND THE UGLY

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Classified By: Ambassador Glyn Davies for reasons 1.4 b and d

Summary and Comment

1. (C) Arab Group and Iranian triumphalism over the narrow passage (49-45-16) of the Israeli Nuclear Capabilities (INC) resolution should not eclipse two major positive outcomes on Middle East issues at the September 14-18 IAEA General Conference: U.S.-EU brokered agreement between Israel and Egypt on the Middle East Safeguards (MES) resolution and the defusing of the Iranian agenda item on prohibition on armed attacks against nuclear facilities. Behind-the-scenes pressure from the Director General coupled with a constructive U.S. approach to the agenda item helped deflate Iran's initiative. The lack of a NAM consensus (ensured by U.S. lobbying among the NAM) ultimately blocked Iran from tabling a divisive resolution on armed attacks (Comment: This could be of lasting significance if it signals some further NAM independence from Iran's dictates. End Comment.) The armed attacks agenda item was dispensed with by an anodyne Presidential Statement adopted after a handful of statements; in all, Iran's hoped for "bang" ended in a whimper.

2. (C) The mixed outcome on the two Middle East resolutions holds both promise and risks for the U.S. posture leading into the NPT RevCon as well as for next year's General Conference. For the first time, the U.S. openly took a leadership role, working closely with the EU Presidency, in brokering exhaustive negotiations on the MES resolution leading to the first Israel-Egypt agreed outcome since 2005. That agreement met with broad satisfaction on the part of all parties and will become the starting point for next year's

efforts to broker consensus on Middle East issues in the IAEA GC, despite some flack from Egypt as to a U.S. abstention on a para vote called by Israel regarding adherence by regional states to the NPT. An important additional upshot of these negotiations on the MES was close coordination by the U.S. and EU, which also facilitated an EU block vote against the INC. The agreement on the MES, however, did not include a firm commitment on Egypt's part to dispense with the Arab Group's "Israeli Nuclear Threat" resolution (INC) via a Presidential Statement. Despite a direct appeal by the Director General to FM Abu Gheit, Egypt opted for the prospect of a second voting success over the alternative of seeking to moderate the behavior of Arab hardliners who pushed the INC resolution to a vote. Emotionally, the Arab delegations joined in unseemly triumphalism by bursting into sustained applause and ululations when the resolution passed by only four votes. This was a reaction to the perceived "humiliation" of being blocked in three consecutive General Conferences by Western pressure and/or "no action" motions; this also marked the first time the Israel resolution was adopted in the GC since 1991. NAM discipline imposed largely by NAM Chair Egypt, particularly on African states, against another "no action" motion which failed by a vote of 45-53-15, in addition to massive abstentions by Latin American countries on the INC vote, delivered the Arab Group victory. At the same time, Arab states must also take note of the fact that the EU held fast and united in voting against the INC resolution. This is largely attributable to the common cause between the U.S. and EU in negotiations on the MES resolution, which both we and the EU hoped would provide the basis for the Arabs to withdraw the INC.

13. (C) Emboldened by their victory, however, the Arab Group/Egypt and Iran continued in their obstructionism in negotiations on the nuclear security and safeguards resolutions (septel). There was also a short-lived Arab Group effort to insert an amendment on NPT universality into the DPRK resolution, which was withdrawn. While eleventh-hour Ambassadorial-level negotiations on nuclear security led to the consensus adoption of that resolution, the Arab Group staged another "protest vote" on the nuclear safeguards resolution as in recent General Conferences; the resolution was adopted by 80 votes with 18 mainly Arab Group abstentions.

14. (C) Iran, the NAM, the Arab Group and especially Egypt, will now have to assess the lessons from the GC as they finalize their strategies for the upcoming NPT RevCon. The combination of U.S./EU unity on the MES/INC resolutions, and the lack of NAM consensus on Iran's resolution, should give pause to Iran, Syria, and hard-line elements in Egypt who will argue for bolder challenges to Israel and to U.S. leadership. It will be instructive as to the Arab camp ultimate intentions toward working constructively with the Obama Administration (or not) on nuclear nonproliferation issues to see whether hardliners who "smell blood in the water" after the INC vote win the debate, or whether more reflective elements, who should take note of constructive engagement on the part of U.S./EU, as well as of NAM reluctance to embrace all of Iran's radicalism in Vienna, have more sway in formulating strategies for the NPT Review Conference. As for Israel's perspective, Deputy Director of the Israeli Atomic Energy Commission David Danieli accentuated the positive a few hours after the INC vote. He gave credit to the U.S. for keeping the EU together and united behind the MES negotiation, the outcome of which he hoped would provide a positive point of departure next year. Danieli also stressed that Iran cannot help but take the message that it can no longer assume NAM fealty to any Iranian line. End Summary and Comment.

U.S. Leadership Delivers MES Agreement

15. (C) Unlike the 2008 General Conferences where the U.S. sat on the sidelines of ill-fated EU-Egypt negotiations, U.S.

leadership working with the EU made all the difference in bringing Egypt and Israel together on the Middle East Safeguards resolution. Following the failure of GC President Jennifer Macmillan's (New Zealand) efforts toward a consensus resolution (ref a) it was readily apparent that without direct U.S. involvement we were heading toward a repeat of the unsatisfactory outcome of the 2008 GC. Beginning on the first day of the Conference, the Ambassador joined by his EU Presidency counterpart, Swedish Ambassador Lundborg, convened a series of intensive quadrilateral consultations with Egyptian Ambassador Fawzi and Israeli Ambassador Michaeli. A side-by-side comparison of the Egyptian text and Israeli amendments demonstrated that the differences between the parties amounted to six issues, three of them substantive: the role of the peace process, nuclear safeguards compliance, and NPT universality. Surprisingly, the thorny issue of compliance was settled first, as both Israel and Egypt demonstrated flexibility in agreeing upon the formulation combining their proposals: "Calls upon all States in the region, to accede to and implement, all relevant nuclear disarmament and nonproliferation conventions; to fulfill in good international commitments relating to safeguards and to

cooperate fully with the IAEA within the framework of their respective obligations," as it appears in the final text. The issue of precedence of the peace process vice a NWFZ proved much more intractable as Egypt and Israel retreated to their theological positions, despite innumerable attempts to find an acceptable compromise. Likewise, Egypt insisted on inclusion of an Algerian amendment to the 2008 MES text that called upon all states in the region to accede to the NPT, something which Israel could not countenance.

16. (C) With the clock running out as Egypt insisted on bringing its resolution to a vote that afternoon and Israel threatened to immediately table amendments if they did so, negotiations were near collapse by September 17. Only exhaustive shuttle diplomacy on the part of the Ambassador and his Swedish counterpart coupled with high-level interventions in Cairo brought the parties back from the brink at the last moment. Pursuant to an agreed formula, Egypt conceded to moving a reference linking the NWFZ to regional peace to an operative para: "Mindful of the importance of establishing the Middle East as a nuclear weapons free zone, and in this context, emphasizing the importance of regional peace." In exchange, Israel agreed to call a paragraph vote voting against the NPT language while abstaining on the resolution as a whole. Egypt further agreed to be helpful on the INC resolution, though it continued to deny it had the authority to shelve the Arab League text. In the end, Egypt won an overwhelming vote on the NPT para 100-1 (Israel) -4 abstentions (U.S., Canada, India and Georgia) and the MES resolution was adopted by a vote of 103-0-4 abstentions (Israel, U.S. Canada, and Georgia.)

17. (C) While the U.S. abstention on the NPT para disappointed Egypt, the U.S. EOV hailed the agreed approach to the MES resolution and the flexibility demonstrated by the parties in making substantial progress on this issue. Notwithstanding our abstention, the U.S. reaffirmed its commitment to the goal of NPT universality and to a WMD-free zone in the Middle East. The EU statement likewise lauded the agreement on the MES text and our close collaboration on the issue. Both Egypt and Israel's statements cast this outcome as a return to the consensus approach to the Middle East that eluded the General Conference in recent years, and both recognized this as a new baseline for next year's MES resolution. Israel further highlighted its support for establishment of a WMD-free zone in the context of the fundamental goal of regional peace. While it recognized the importance of the NPT regime, Israel cited the fact that four of five cases of NPT noncompliance stemmed from the region. After the late vote on the MES September 17, the general mood of the General Conference was elevated with moderate Arab states, including the Lebanese former GC President, congratulating the U.S on our role and accomplishment.

¶18. (C) No sooner had the ink dried on the MES text than the Arab Group regrouped over an Iftar dinner later September 17, at which hardliners led by Syria held sway. By the next morning and unbeknownst to us, the Arab Group position on the Israeli Nuclear Capabilities resolution was entrenched. Whereas earlier in the week, some moderate Arabs (Algeria, Jordan) had broached discussions with the GC President about the possibility of a Presidential Statement, this possibility was foreclosed over the evening of September 17/18.

¶19. (C) Seeking to capitalize on the positive mood generated by the MES compromise the night before and in the hopes of coming to agreement on a Presidential Statement, Ambassadors Davies and Lundborg met early on September 18 with representatives of the Arab Group (Ambassador Fawzy, Lebanese Chair El-Khoury, Arab League representative Wehbe, and Lebanon head of del and former GC President Hamze) in the office of the GC President. Speaking for the group, Lebanese Ambassador El-Khoury described the previous day's compromise on Middle East safeguards as "a source of great happiness" for the Arabs. "We are proud of how and why this came about," El-Khoury continued, and we are pleased "that our concerns were heard and listened to and we were met half way."

¶110. (C) Turning to the INC resolution, however, El-Khoury lamented that for three years the Arab group has felt "humiliated" when its proposal was met by a no action motion. El-Khoury seemed surprised when Swedish Ambassador Lundborg read from an August 27 letter from Carl Bildt making clear EU opposition to any resolution that singles out Israel for criticism. Citing the NPT universality language of the MES resolution, Lundborg argued that INC resolution was unnecessary and redundant. "Don't cast a shadow on what happened yesterday," Lundborg advised. Speaking to Ambassador Davies, and recalling the more active U.S. role in this year's negotiations, Ambassador Fawzy warned that "you will spoil your message if you now ask for no action." Likewise, Ambassador El-Khoury advised that with 22 member states and a mandate from Ministers, there was no time left for the Arabs to seek new instructions that would avoid a confrontation over the INC resolution. Continuing in this vein, El-Khoury confessed that he "felt your sincere intention to find a solution," and so "we apologize if we cannot go the whole road with you."

¶111. (C) A similar private appeal by Director General ElBaradei also on the morning of September 18 to Egyptian FM Abu Gheit failed to persuade Cairo. Reportedly, Abu Gheit relayed the Arab Group position to proceed with the INC resolution given that they had secured enough votes to win. Despite working closely with the U.S. and EU on the MES resolution in Vienna, Egypt had betrayed our good will.

¶112. (C) By mid-day, the die was cast and the Arab Group brought the INC to the floor, introduced by Arab Group Chair Lebanon with supporting statements by NAM Chair Egypt, Cuba, Indonesia, Iran, Jordan and Venezuela. The NAM statement quoted from the July NAM Summit in Sharm el-Sheikh on support for the INC agenda item in the IAEA General Conference. Despite U.S., EU and like-minded lobbying of NAM delegations on the floor of the Plenary, it was clear that the Arabs had significant NAM support. Various Arab delegations attempted unsuccessfully to block Canada's call for a No-action motion, which was seconded by the U.S. and EU with Jordan and Syria speaking in opposition. Both the EU and U.S. noted the redundancy of the INC resolution and its negative effect in undermining the consensus on Middle East issues. While the EU, U.S. and like-minded support held firm, the failure of the No-Action motion by a vote 45-53-15 abstentions, can be attributed to "No" votes by several African countries. Several Latin American countries also voted against "No action" in principle as they had last year, but then abstained on the INC resolution vote (roll call voting charts emailed to the Department.) In an unprecedented move, the Arab Group then blocked an EU motion to suspend the meeting

for consultations after the failure of the No Action vote, leaving no time to consider alternative strategies such as tabling amendments to the INC. (Note: Given its principled

opposition to the INC resolution, Israel was not inclined to offer amendments. End note). The Arabs forced the vote, narrowly winning (49-45-16) by four votes including support from Russia, Kazakhstan and several African and NAM countries (Thailand, Philippines, Singapore and South Africa, among others.)

¶13. (C) As the room broke out into unseemly jubilation following the adoption of the INC resolution, the Arabs declared themselves vindicated. Privately, incoming Board Chair Malaysia saw this as the end of the "hypocrisy" of U.S. and Israeli policy.

Iran Agenda Item on Armed Attacks Defused

¶14. (C) The disposition of the Iranian agenda item on prohibition of armed attacks on nuclear facilities was anti-climactic in comparison to the other Middle East issues.

Early in the week at the General Committee meeting that considered inclusion of the agenda item, a constructive U.S. approach deflated Iran. Knowing that we did not have the votes to block the item in the General Committee or Plenary, the U.S. and likeminded accepted the agenda item but argued for a consensus approach based on earlier IAEA treatment of this matter. After quibbling about the title of the item, we secured its placement last on the agenda. Also working behind the scenes, Director General ElBaradei and GC President Macmillan sought to talk Iran down to a Presidential Statement in lieu of tabling a divisive resolution on the issue. A NAM working group continued to revise and weaken the Iranian draft resolution, though there was little enthusiasm, including from NAM Chair Egypt, for the Iranian effort. The decisive moment came when the NAM Plenary failed to adopt a consensus position in support of the Iranian draft resolution on September 17. Working with friendly NAM countries, including Chile, Singapore, Peru and the Philippines, we torpedoed any hope of NAM consensus, thereby depriving Iran of its hoped-for NAM versus West showdown. Iran then approached the GC President with a Presidential Statement text which she proceeded to substantially weaken to a consensus formulation. Notably, there was no reference to next year's GC taking up the issue.

Although we and the French would have liked to revise it further, reopening the text would have led to unacceptable additions from Iran.

¶15. (C) Iran took the floor to introduce the item citing previous resolutions and the need for UNSC action and collective measures prohibiting armed attacks. At a minimum, Iran argued that the IAEA, as the most pertinent body, should adopt a resolution and undertake a feasibility study on negotiation of a legal instrument barring such attacks. Egypt took the floor on behalf of NAM, quoting the July NAM Summit position against armed attacks, followed by Cuba, Syria and Algeria. Syria supported a resolution in the next GC. The issue was dispensed with in less than 30 minutes, and Iran was left as the demandeur, having overbid for NAM support.

¶16. (U) Text of GC Presidential Statement:

The General Conference considered the agenda item 24 entitled, "Prohibition of armed attack or threat of attack against nuclear installations, during operation or under construction." The General Conference noted GC(29)/RES/444

and GC(34)/RES/533, which noted that "any armed attack on and threat against nuclear facilities devoted to peaceful purposes constitutes a violation of the principles of the United Nations Charter, international law and the Statute of the Agency," and a thorough discussion was made on all

aspects of the issue. Member States recognized the importance attached to safety, security and physical protection of nuclear material and nuclear facilities, and in that regard, expressed their views on the importance they attached to the protection of nuclear installations. They also noted the need to have the Agency involved in early notification and assistance in cases of radioactive release from nuclear installations.

End text.
DAVIES